

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 6153**

**BILL NUMBER:** SB 19

**DATE PREPARED:** Apr 10, 2001

**BILL AMENDED:** Apr 9, 2001

**SUBJECT:** First Steps Sliding Fee Scale.

**FISCAL ANALYST:** Kathy Norris

**PHONE NUMBER:** 234-1360

**FUNDS AFFECTED:** X **GENERAL**  
**DEDICATED**  
**FEDERAL**

**IMPACT:** State

**Summary of Legislation:** (Amended) This bill requires the Division of Family and Children to adopt rules to implement a cost participation plan for early intervention services provided under the Infants and Toddlers with Disabilities Program (commonly referred to as the First Steps Program). The bill specifies elements that must be included in the cost participation plan, including a specific schedule of cost participation amounts. The bill provides that the Division of Family and Children may not receive more than \$3,500 per First Steps child per year from a family's health care coverage.

**Effective Date:** (Amended) July 1, 2002.

**Explanation of State Expenditures:** (Revised) The Division will require some administrative resources to implement the required sliding fee scale. The Family and Social Services Administration has estimated that the start-up and operating costs to be approximately \$170,000 in FY 2002; annual operating costs are estimated to be \$134,000 for FY 2003. The cost of rules promulgation should be able to be absorbed within the Division's current level of appropriations.

**Explanation of State Revenues:** (Revised) This bill specifies that the sliding fee scale may not impose fees or charges to eligible individuals whose family income is less than 350% of the Federal Income Poverty Level. This standard equates to gross income of \$40,635 for a family of two and \$61,775 for a family of four. Additional individuals are factored in at \$10,570 each. The bill also requires that the cost participation plan must provide for sudden adjustments in a family's income and allow for the waiver of required copayments if other medical expenses reduce the level of income the family has available to make copayments.

The Family and Social Services Administration reports that there are 9,756 total families participating in the First Steps Program. Of the total participating, 2,049 (or 21%) have income at or above 350% of the Federal Poverty Guidelines. The Division has reported that over 200 families receiving First Steps services are at or above 800% of the Federal Poverty Guidelines, (an annual gross income of \$141,200 for a family of four).

The proposed copayment schedule is projected to raise \$1.47 M. The revenue raised by the cost participation is to be used to fund First Steps Program services.

The bill also limits the amount that the Division may recover from a family's health care coverage to \$3,500 per child. This provision could potentially limit the recoveries that could be made by First Steps. The extent to which this provision would impact the level of recovered expenses would depend upon the number of children with health care coverage for First Steps services.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Family and Social Services Administration, Division of Family and Children.

**Local Agencies Affected:**

**Information Sources:** Susan Preble, Legislative Liaison for FSSA, (317)-232-1149.